

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-01816A
Spanish Trail Water Co.
2200 E. River Road, Ste 115
Tucson, AZ 85718

RECEIVED

MAY 01 2006

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN04	05
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entered
5-2-06 RF

COMPANY INFORMATION

Company Name (Business Name) <u>Spanish Trail Water Company</u>			
Mailing Address <u>4572 E. Camp Lowell Drive</u>			
(Street)			
<u>Tucson</u>	<u>AZ</u>	<u>85712</u>	
(City)	(State)	(Zip)	
<u>(520) 577-2616</u>	<u>(520) 319-6560</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>ddavis@camplowell.com</u>			
Local Office Mailing Address <u>2200 E. River Road, Suite 115</u>			
<u>Tucson</u>	<u>AZ</u>	<u>85718</u>	
(City)	(State)	(Zip)	
<u>(520) 577-2616</u>	<u>(520) 319-6560</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>ddavis@camplowell.com</u>			

MANAGEMENT INFORMATION

Management Contact: <u>Diane Davis</u>			
<u>4572 E. Camp Lowell Drive</u>	<u>Tucson</u>	<u>AZ</u>	<u>85712</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 577-2616</u>	<u>(520) 319-6560</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>ddavis@camplowell.com</u>			
On Site Manager: <u>Chris Monson</u>			
(Name)			
<u>4572 E. Camp Lowell Drive</u>	<u>Tucson</u>	<u>AZ</u>	<u>85712</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 577-2616</u>	<u>(520) 319-6560</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Robert Fortuno

(Name)

3002 N. Campbell Avenue

Tucson

AZ

85719

(Street)

(City)

(State)

(Zip)

(520) 299-4610

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Michael McNulty

(Name)

1 S. Church Avenue, #700

Tucson

AZ

85701

(Street)

(City)

(State)

(Zip)

(520) 629-4453

(520) 879-4732

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certified to provide service:

☐ APACHE

☐ GILA

☐ COCHISE

☐ COCONINO

☐ LA PAZ

☐ GRAHAM

☐ GREENLEE

☐ NAVAJO

☐ MARICOPA

☐ MOHAVE

☐ SANTA CRUZ

☒ PIMA

☐ PINAL

☐ STATEWIDE

☐ YAVAPAI

☐ YUMA

Company Name: Spanish Trail Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization Cost	3,394	1,615	1,779
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements	1,594	1,555	39
307	Wells and Springs	54,160	40,498	13,662
311	Electric Pumping Equipment	70,377	54,140	16,237
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	16,526	16,124	402
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	462,083	214,923	247,160
333	Services	23,532	14,218	9,314
334	Meters and Meter Installations	43,850	16,050	27,800
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	675,516	359,123	316,393

This amount goes on the Balance sheet Acct. No. 108

Company Name: Spanish Trail Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)*	Depreciation Expense (1x2)
301	Organization Cost	3,394	0.00%	
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements	1,594	5.00%	80
307	Wells and Springs	54,160	5.00%	2,708
311	Electric Pumping Equipment	70,377	5.00%	3,519
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	16,526	5.00%	826
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	462,083	5.00%	23,104
333	Services	23,532	5.00%	947
334	Meters and Meter Installations	43,850	5.00%	2,044
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Fixtures			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	675,516		33,228

This amount goes on Comparative Statement of Income and Expense Acct No. 403.

* 1/2 year convention on depreciation (1/2 year depreciation on new assets, 1/2 year on retirements)

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 100,236	\$ 21,244
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	10,665	17,992
146	Notes/Receivables from Associated Companies	219,349	219,349
151	Plant Materials & Supply Inventory		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	-	-
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 330,250	\$ 258,585
	FIXED ASSETS		
101	Utility Plant in Service	\$ 660,373	\$ 675,516
103	Property Held for Future Use	12,000	12,000
105	Construction Work in Progress	236,271	236,271
108	Accumulated Depreciation - Utility Plant	(325,896)	(359,123)
121	Non-Utility Property		
122	Accumulated Depreciation - Utility Plant		
	TOTAL FIXED ASSETS	\$ 582,748	\$ 564,664
	TOTAL ASSETS	\$ 912,998	\$ 823,249

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable		
232	Notes Payable (Current Portion)	\$ 100,000	\$ 100,000
234	Notes/Accounts Payable to Associated Companies	28,329	58,695
235	Meter Deposits	32,779	38,347
236	Accrued Taxes	6,417	5,014
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	4,130	4,826
	TOTAL CURRENT LIABILITIES	\$ 171,655	\$ 206,882
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	305,969	303,970
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 305,969	\$ 303,970
	TOTAL LIABILITIES	\$ 477,624	\$ 510,852
	CAPITAL ACCOUNTS		
201	Common Stock	\$ 1,000	\$ 1,000
211	Paid in Capital	3,615,222	3,615,222
215	Retained Earnings	(3,180,848)	(3,303,825)
218	Proprietary Capital (Sole Props. And Partnerships)		
	TOTAL CAPITAL	\$ 435,374	\$ 312,397
	TOTAL LIABILITIES AND CAPITAL	\$ 912,998	\$ 823,249

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Sales	\$ 121,327	\$ 140,345
460	Other Water Sales		
474	Other Water Revenues	-	
	TOTAL REVENUES	\$ 121,327	\$ 140,345
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water	28,329	28,367
615	Purchased Pumping Power	12,557	12,944
618	Chemicals		
620	Repairs and Maintenance	11,084	17,216
621	Office Supplies and Expense	118	26
630	Outside Services	62,259	47,672
635	Water Testing	3,530	3,025
641	Rents		
650	Transportation Expense		
657	Insurance - General Liability		963
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expenses	1,499	3,688
403	Depreciation Expense	32,798	33,228
408	Taxes other than Income	103,697	94,154
408.11	Property Tax	11,916	22,041
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 267,787	\$ 263,324
	OPERATING INCOME (LOSS)	\$ (146,460)	\$ (122,979)
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME (EXPENSE)	\$ -	\$ -
	NET INCOME (LOSS)	\$ (146,460)	\$ (122,979)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$38,347

Meter Deposits Refunded During the Test Year

\$4,802

COMPANY NAME Spanish Trail Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-622249	5	37		8		
55-622256	40	400		12		
55-536560	20	360		12		1993

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	2	27-ASA	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000	1	1,000	1
		2,000	1
		3,000	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC/AC	12,910
5		
6	AC	31,520
8		11,950
10		
12	C900PVC	6,200

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	344
3/4	16
1	6
1 1/2	
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT: N/A

STRUCTURES: N/A

OTHER: N/A

Company Name: Spanish Trail Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	339	2,364,032	2,841,430
FEBRUARY	340	2,592,770	2,359,430
MARCH	343	2,571,290	3,094,050
APRIL	345	3,761,210	3,950,380
MAY	346	4,582,540	5,036,960
JUNE	349	6,994,230	6,122,690
JULY	349	4,282,960	5,846,780
AUGUST	358	4,137,390	3,956,100
SEPTEMBER	358	4,371,380	5,272,680
OCTOBER	363	5,175,920	4,764,680
NOVEMBER	365	3,739,360	4,060,500
DECEMBER	367	4,532,370	3,759,920
TOTAL		49,105,452	51,065,600

Is the water utility located in an ADRW Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have an ADWR gallons per capita (GPCD) requirement?

☐ Yes

☒ No

If Yes, please provide the GPCD amount:

What is the level of arsenic for each well on your system.

Rocking K Well, < 0.002 mg/l

York Well, <0.002 mg/l

Barn Well, <0.002 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Spanish Trail Water Company YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$23,650.59

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____



Beth Ford Pima County Treasurer

Parcel: 20586061A 1 Total Taxes: \$17.58 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2005	10/31/2005
Method:	CK	CK
Tax Paid:	\$17.58	\$0.00
Paid By:	01	01
Trans Type:	2	2
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
4572 E CAMP LOWELL DR
TUCSON AZ 85712-1282

Property Address:

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

WELLSITE IN SW4 SE4 1.21 AC SEC 15-15-16
(CP 7734/970-977)

TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2004	\$18.02
2003	\$18.48
2002	\$10,345.54
2001	\$7,256.14
2000	\$5,439.22



Beth Ford

Pima County Treasurer

Parcel: 20572002B 8 Total Taxes: \$899.70 Tax Year: 2004 As of Date: 04/24/2006

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/29/2004	04/28/2005
Method:	CK	CK
Tax Paid:	\$449.85	\$449.85
Paid By:	01	01
Trans Type:	A	A
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

ROCKING K HOLDINGS LTD PARTNERSHIP
75% &

RINCON VALLEY HOLDINGS LTD PRTRNSHP
25%

2200 E RIVER RD STE 115

TUCSON AZ 85718

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Property Address:

13381 E OLD SPANISH TR

Legal Description:

PT OF N440' W550' NE4 NE4 LYG NELY OF OLD
SPANISH TRAIL 3.59 AC SEC 21-15-16
(7661/1940 & 1987)

HISTORY TAX ROLL CHANGE

2003 \$508.52
2002 \$512.84
2001 \$516.52
2000 \$517.72
1999 \$514.34



Beth Ford Pima County Treasurer

Parcel: 20572002B 8 Total Taxes: \$943.11 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$471.55
Date Paid:	10/31/2005	
Method:	CK	
Tax Paid:	\$471.56	\$0.00
Paid By:	01	
Trans Type:	2	
Interest Paid:	\$0.00	\$0.00

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$471.55	\$471.55
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$471.55	\$471.55
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$471.55

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

ROCKING K HOLDINGS LTD PARTNERSHIP 75% &
RINCON VALLEY HOLDINGS LTD PRTRNSHP 25%
2200 E RIVER RD STE 115
TUCSON AZ 85718

Property Address:

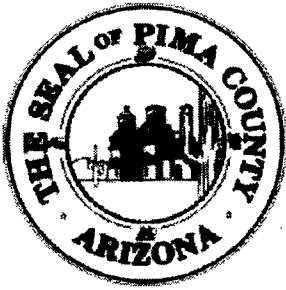
13381 E OLD SPANISH TR

Legal Description:

PT OF N440' W550' NE4 NE4 LYG NELY OF OLD
SPANISH TRAIL 3.59 AC SEC 21-15-16
(7661/1940 & 1987)

HISTORY TAX ROLL CHANGE

2004 \$899.70
2003 \$508.52
2002 \$512.84
2001 \$516.52
2000 \$517.72



Beth Ford Pima County Treasurer

Parcel: 20581033B 4 Total Taxes: \$20.87 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2005	10/31/2005
Method:	CK	CK
Tax Paid:	\$20.87	\$0.00
Paid By:	01	01
Trans Type:	2	2
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2002

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
4572 E CAMP LOWELL DR
TUCSON AZ 85712-1282

Property Address:

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

RANCHOS PEQUENOS WELLSITE IN LOT 20
(CP: D 7734 P 970-977 3/5/86)

TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2004 \$21.31
2003 \$21.78
2002 \$21.90
2001 \$22.02
2000 \$22.06



Beth Ford Pima County Treasurer

Parcel: 205820120 8 Total Taxes: \$20.87 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

PARCEL INFORMATION

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2005	10/31/2005
Method:	CK	CK
Tax Paid:	\$20.87	\$0.00
Paid By:	01	01
Trans Type:	2	2
Interest Paid:	\$0.00	\$0.00

Area Code: 2002

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
4572 E CAMP LOWELL DR
TUCSON AZ 85712-1282

Property Address:

TAX DUE SUMMARY

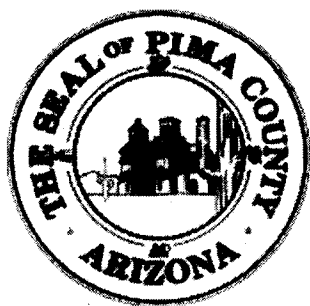
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

CASERIO VIEJO LOT 12 (WELL SITE)
TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2004 \$21.31
2003 \$21.78
2002 \$21.90
2001 \$22.02
2000 \$22.06



Beth Ford Pima County Treasurer

Parcel: 949020000 4 Total Taxes: \$10,955.51 Tax Year: 2004 As of Date: 04/24/2006

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	11/01/2004	04/28/2005
Method:	CK	CK
Tax Paid:	\$5,477.76	\$5,477.75
Paid By:	01	01
Trans Type:	A	A
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
DIANE DAVIS/MANAGER
2200 E RIVER ROAD #115
TUCSON AZ

Property Address:

TAX DUE SUMMARY

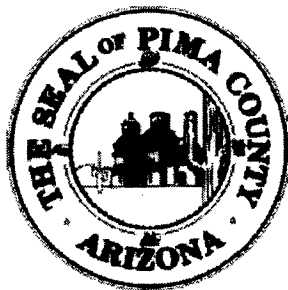
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO 490

HISTORY TAX ROLL CHANGE

2003	\$10,564.14
2002	\$0.00
2001	\$0.00
2000	\$0.00
1999	\$0.00



Beth Ford Pima County Treasurer

Parcel: 949020000 4 Total Taxes: \$7,692.17 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$3,846.08
Date Paid:	10/31/2005	
Method:	CK	
Tax Paid:	\$3,846.09	\$0.00
Paid By:	01	
Trans Type:	A	
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
DIANE DAVIS/MANAGER
2200 E RIVER ROAD #115
TUCSON AZ

Property Address:

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$3,846.08	\$3,846.08
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$3,846.08	\$3,846.08
	NSF Fees		\$0.00
	Reclaimed Refunds		\$0.00
TOTAL AMOUNT DUE			\$3,846.08

Legal Description:

TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO 490

HISTORY TAX ROLL CHANGE

2004 \$10,955.51
2003 \$10,564.14
2002 \$0.00
2001 \$0.00
2000 \$0.00

Beth Ford
Pima County Treasurer
Receipt for Payment of Tax

Print Date: 06/02/2005
Processing Date: 06/02/2005

Receipt #: RD05-0000104644

Payment Date: 05/27/2005

SPANISH TRAIL WATER COMPANY
DIANE DAVIS/MANAGER

2200 E RIVER ROAD #115

Transaction Detail

Parcel	CordNo	Per & Yr	Tax Due	Interest	Penalty to Assignee	Penalty to County	Fees	Int from Assignment	Redem Fee	LineTotal
949020000		F 2003	5,282.07	1,338.12	0.00	\$264.10	0.00	0.00		6,884.29
949020000		S 2003	5,282.07	915.56	0.00	\$264.10	0.00	0.00		6,461.73
Totals:			\$10,564.14	\$2,253.68	\$0.00	\$528.20	\$0.00	\$0.00	\$0.00	\$13,346.02

Payments Detail

Document Date	Payment Type	Document No	Notes	Amount
05/27/2005	CH	4314		13,346.02
				\$13,346.02

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Chris Monson, President
COMPANY NAME
Spanish Trail Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(520) 577-2616

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 DAY OF

COUNTY NAME	<u>Pima</u>
MONTH	<u>April</u> <u>2006</u>



Notary Public State of Arizona
Pima County
(SEAL)
Theresa M. Simpson
Expires May 25, 2008



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 25, 2008

COMPANY NAME Spanish Trail Water Company **YEAR ENDING 12/31/2005**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

April 28, 2006
DATE

Chris Monson
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 01 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Chris Monson, President
COMPANY NAME Spanish Trail Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 140,345

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 7,971
IN SALES TAXES BILLED, OR COLLECTED)

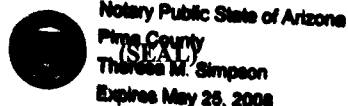
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME


A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 DAY OF



MY COMMISSION EXPIRES May 25, 2008

COUNTY NAME <u>Pima</u>
MONTH <u>April</u> <u>2006</u>


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAY 01 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)	Pima	
NAME (OWNER OR OFFICIAL)	Chris Monson	TITLE President
COMPANY NAME Spanish Trail Water Company		

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 140,345

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 7,971
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 **DAY OF**

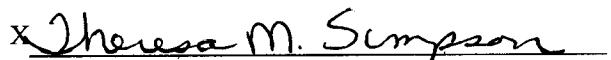
Notary Public State of Arizona
Pima County
Theresa M. Simpson
Expires May 25, 2008

(SEAL)

MY COMMISSION EXPIRES

May 25, 2008

NOTARY PUBLIC NAME <u>Theresa M. Simpson</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>April</u>	<u>2006</u>


SIGNATURE OF NOTARY PUBLIC

SPANISH TRAIL WATER COMPANY

YEAR ENDED DECEMBER 31, 2005

SPANISH TRAIL WATER COMPANY

YEAR ENDED DECEMBER 31, 2005

CONTENTS

	Page
Accountants' compilation report	1
Financial statements:	
Balance sheet	2
Statement of operations	3



BEACH, FLEISCHMAN & CO., P.C.
Certified Public Accountants/Financial & Business Advisors

Bruce D. Beach, CPA
Peter F. Beahan, CPA, ABV
Richard A. Bratt, CPA
David J. Cohen, CPA
Jo DeChatelet, CPA, CFP®
Kevin J. Donovan, CPA, EA, MSPA
Marc D. Fleischman, CPA, ABV

Robert G. Harbour, CPA, CVA
George Henderson, CPA
David M. Iaconis, CPA
Jimmy J. Lovelace, CPA
Karen K. McCloskey, CPA, MST
Loretta Peto, CPA, ABV
Cynthia A. Schroeder, CPA

Shareholders
Spanish Trail Water Company
Tucson, Arizona

We have compiled the balance sheet of Spanish Trail Water Company as of December 31, 2005, and the related statement of operations for the year then ended and accompanying information on pages 4 through 9, 13, and 15 through 17 of the annual Arizona Corporation Commission reports, included in the accompanying form prescribed by the Arizona Corporation Commission, Utilities Division, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, information that is the representation of management. We have not audited or reviewed the accompanying financial statements referred to above and, accordingly, we do not express an opinion or any other form of assurance on them.

The financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, which differ from U.S. generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Beach, Fleischman & Co., P.C.

March 16, 2006

SPANISH TRAIL WATER COMPANY
BALANCE SHEET
DECEMBER 31, 2005
(See Accountants' Compilation Report)

Docket No. W-01816A

ASSETS

Property and equipment, net	<u>\$ 564,664</u>
Current assets:	
Cash and cash equivalents	21,244
Accounts receivable	<u>237,341</u>
Total current assets	<u>258,585</u>
	<u><u>\$ 823,249</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Capitalization:	
Capital accounts	\$ 312,397
Deferred credit:	
Advances in aid of construction	303,970
Current liabilities	<u>206,882</u>
	<u><u>\$ 823,249</u></u>

See Accountants' Compilation Report.

SPANISH TRAIL WATER COMPANY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2005
(See Accountants' Compilation Report)

Docket No. W-01816A

Metered water sales	\$ 140,345
Operating expenses	<u>263,324</u>
Operating income (loss)	<u>(122,979)</u>
Net income (loss)	<u>\$ (122,979)</u>

See Accountants' Compilation Report.